

SENATE BILL REPORT

SB 5477

As Reported By Senate Committee On:
Consumer Protection & Housing, February 15, 2007
Ways & Means, February 28, 2007

Title: An act relating to manufactured/mobile home community registrations and dispute resolution.

Brief Description: Addressing manufactured/mobile home community registrations and dispute resolution.

Sponsors: Senators Kastama, Keiser, Franklin, McAuliffe and Rasmussen.

Brief History:

Committee Activity: Consumer Protection & Housing: 1/30/07, 2/15/07 [DPS-WM, DNP].
Ways & Means: 2/20/07, 2/28/07 [DP2S, DNP, w/oRec].

SENATE COMMITTEE ON CONSUMER PROTECTION & HOUSING

Majority Report: That Substitute Senate Bill No. 5477 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Weinstein, Chair; Kauffman, Vice Chair; Haugen, Jacobsen and Kilmer.

Minority Report: Do not pass.

Signed by Senators Honeyford, Ranking Minority Member; Delvin and Tom.

Staff: Jacob White (786-7448)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5477 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Brandland, Fairley, Hatfield, Hobbs, Keiser, Kohl-Welles, Oemig, Rasmussen, Regala and Rockefeller.

Minority Report: Do not pass.

Signed by Senator Honeyford.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Parlette, Roach and Schoesler.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Steve Jones (786-7440)

Background: Currently, the Department of Community, Trade and Economic Development (CTED) handles manufactured/mobile home landlord-tenant complaints through the Manufactured Housing Landlord Tenant program. The purpose of this program is to provide information and resource services to community residents and owners so that they will have the tools available to make well-informed decisions and resolve disputes. The program cannot provide legal assistance or resolve rental payment disputes. It serves as a contact point and referral service for information and resources for manufactured/mobile home communities.

Summary of Bill: The bill as referred to committee not considered.

SUMMARY OF RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Consumer Protection and Housing): The primary responsibility for handling manufactured/mobile home landlord-tenant complaints is shifted from CTED to the Attorney General's Office (AGO). The AGO must: administer a dispute resolution program by taking complaints, conducting investigations, making determinations, and administratively resolving disputes, when there are alleged violations of the manufactured/mobile home landlord-tenant act or the consumer protection act; collect and annually report upon data related to disputes and violations and make recommendations to the appropriate committees of the Legislature; and produce and distribute educational materials to landlords and to complainants and respondents upon request. Landlords are required to post a notice of tenant's rights, which is produced by the AGO.

The parties must cooperate with the AGO in the course of an investigation. If a resolution can not be reached by the parties, the AGO must make a written determination on whether a violation has occurred. The AGO's decision must then be properly delivered to the parties. A party may request an administrative hearing to contest the Attorney General's decision within 15 days of receiving the notice or the parties must correct the problem within 15 days, or face a fine of up to \$500 per day. The administrative judge's determination may be appealed to superior court.

The Department of Licensing (DOL) must annually register all manufactured/mobile home communities.

A manufactured/mobile home dispute resolution program account is created. The resolution program will be funded by the collection of fines, penalties and fees deposited into this account, and all other sources directed to the program. The per lot annual assessment fee, which is paid to DOL, will be raised from \$5 to \$10, half to be paid by the tenant, half by the mobile park owner. The DOL will also charge each park an annual fee of \$15 for first time registrations and \$9 for renewal registrations and will charge late fees.

Four hundred thousand dollars is added from the general fund to the manufactured/mobile home dispute resolution account to cover program start-up costs.

The consumer protection act is applied to this chapter.

EFFECT OF CHANGES MADE BY RECOMMENDED SECOND SUBSTITUTE AS PASSED COMMITTEE (Ways & Means): The \$400,000 General Fund appropriation is deleted.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Consumer Protection & Housing): PRO: This bill allows tenants to pay for the enforcement of the act. Intimidation and complaints will go down since the law will be enforceable. Eighty-one percent of tenants were unsatisfied with current dispute resolution done through CTED. This bill will only affect those landlords who do not treat tenants fairly; it will only punish bad landlords. Tenants need this protection to help level the playing field.

The current act has no enforcement, and most tenants can't afford to hire a lawyer. Many landlords refuse to even discuss concerns of tenants, since current law has no enforcement ability.

The current rules and regulations are completely ignored by landlords. Manufactured Housing Communities of Washington (MHCW) threatens lawyers and homelessness to tenants if they press forward with complaints. The current mediation process is simply not working.

It is difficult for low-income residents of motor home parks to find an attorney willing to work for pro bono and there are only a very limited number of non-profit attorneys who do mobile home cases.

CON: There is already an efficient system in place. Administrative hearings will slow down the current process.

Tenants have enough legal representation. There are eight organizations, plus lawyers who do pro bono work recommended by the Washington State Bar Association. There are currently sufficient remedies, such as class action law suits and attorney fees. The consumer protection act can already be used. There isn't a need for this legislation.

The fines imposed under this act would put small mobile home park owners out of business.

This act does have adequate enforcement. This is a Draconian act, and not necessary. All it does is create more work for lawyers by making mobile home park owners defend themselves at multiple levels.

Persons Testifying: (Consumer Protection & Housing) PRO: Fred Jones, Ken Newton, Mobile Home Owners of America (MHOA); Sarah J. Rivers, MHOA, Seashore villa; Susan Doran, SOSH, SOS Keepgots; Suzanne Dale Esty, City of Renton; Ishbel Dickens, Columbia Legal Services.

CON: Ron Spencer, John Woodring, MHCW; Jennifer Kellog, Jim Throckmorton, Property Owners Perspective.

Staff Summary of Public Testimony (Ways & Means): PRO: Mobile home owners are very vulnerable because they often do not own the land where their home is located, and they cannot easily move. As a result, there is not a free market. Current laws are not enforced by

any state agency, and tenants must hire an attorney and go to court to enforce their rights. Mobile home owners are willing to pay the fees in this bill in order to get expedited compliance with state laws without having to go to court. The bill is fair to both landlords and tenants.

Persons Testifying (Ways & Means): PRO: Senator Kastama, prime sponsor; James Dean, MHOA; Shirley Turner, Nick Federici, Washington Low-Income Housing Alternative.